



Aalto University
School of Electrical
Engineering

E7830 Value Network Design for Internet

Business Model Canvas (BMC)

Business Model Canvas

Design Process

Design process in this course is top down

Market level design (viewing the case company from outside)

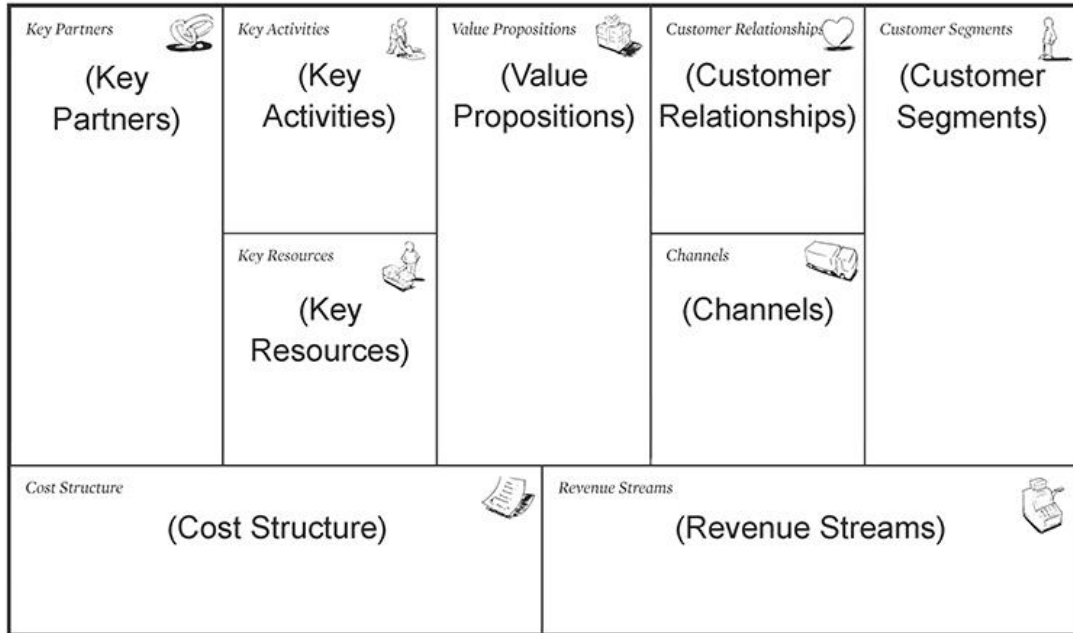
- Scenario Planning for broad market analysis
- Value Network Configurations for identifying possible actors and business roles

Company level design (inside the case company)

- Business Model Canvas (BMC) for designing and documenting the business model
 - BMC for comparing alternative business strategies
 - Porter's 5 Forces to assess the market risks
-

Business Model Canvas

Structure



www.businessmodelgeneration.com

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Key Partners



Partner 1
Partner 2
Partner 3
...

Key Activities



Activity 1
Activity 2
Activity 3
...

Value Propositions



Proposition 1
Proposition 2
Proposition 3
...

Customer Relationships



Relationship 1
Relationship 2
Relationship 3
...

Customer Segments



Segment 1
Segment 2
Segment 3
...

Key Resources



Resource 1
Resource 2
Resource 3
...

Channels



Channel 1
Channel 2
Channel 3
...

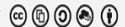
Cost Structure

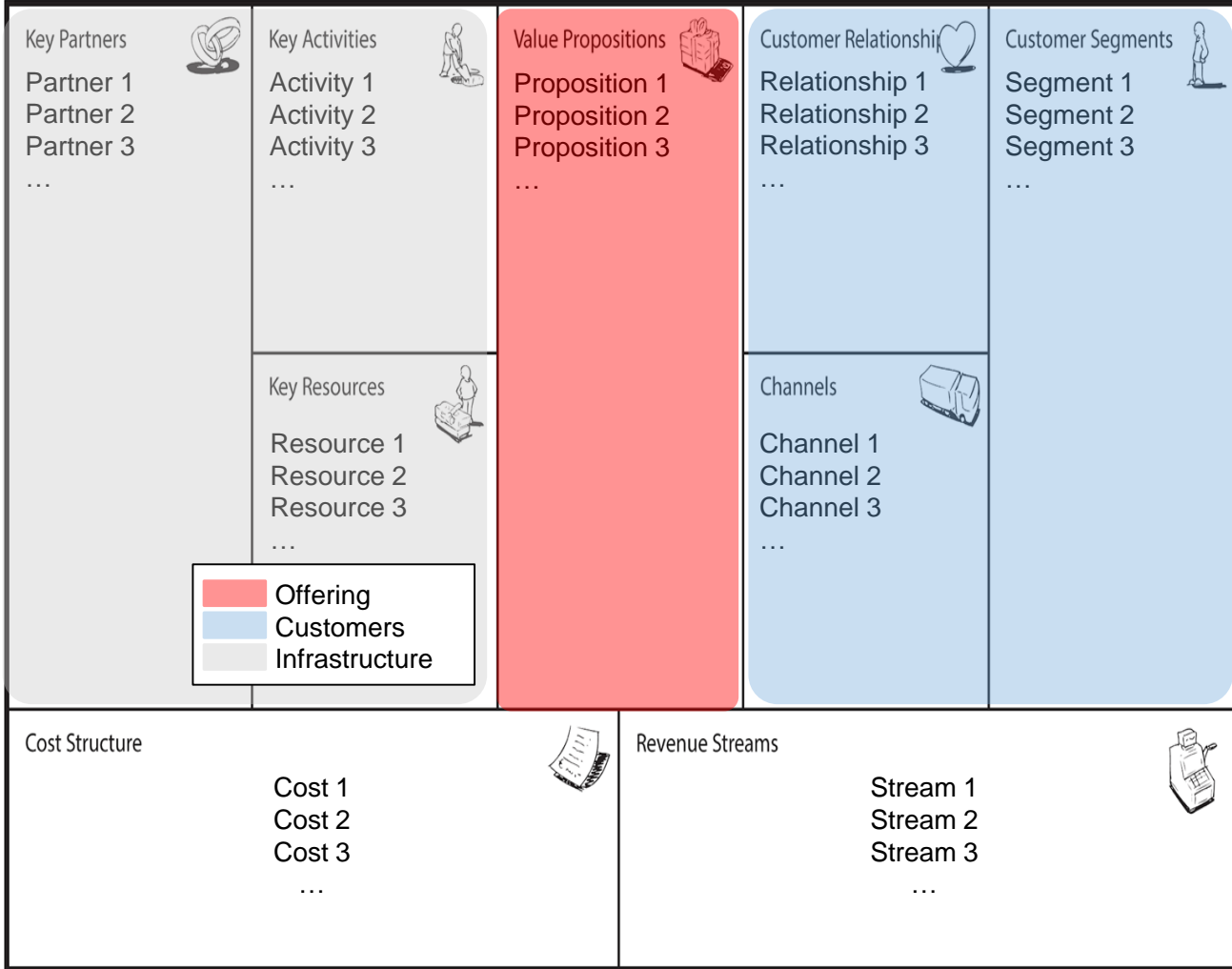
Cost 1
Cost 2
Cost 3
...

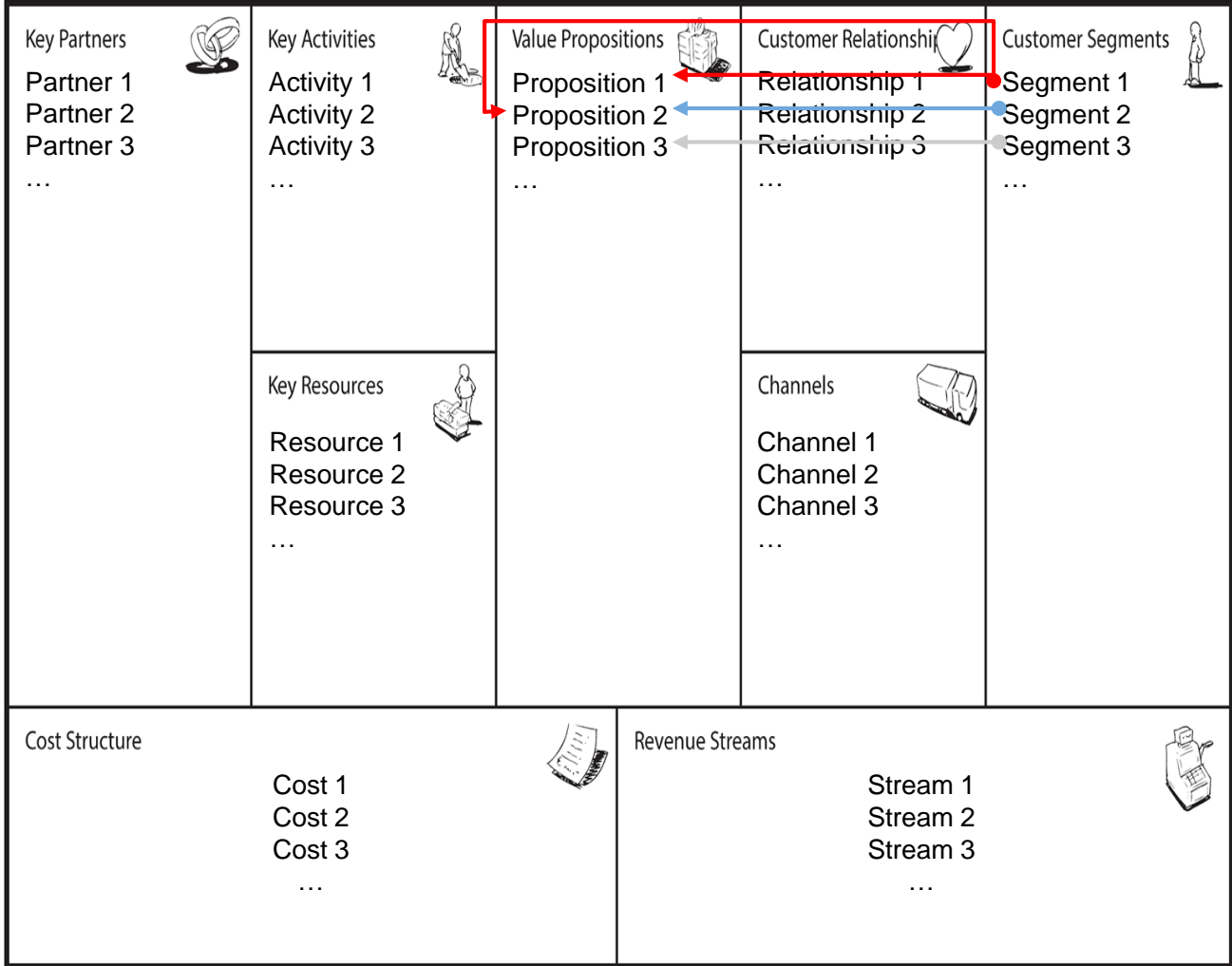


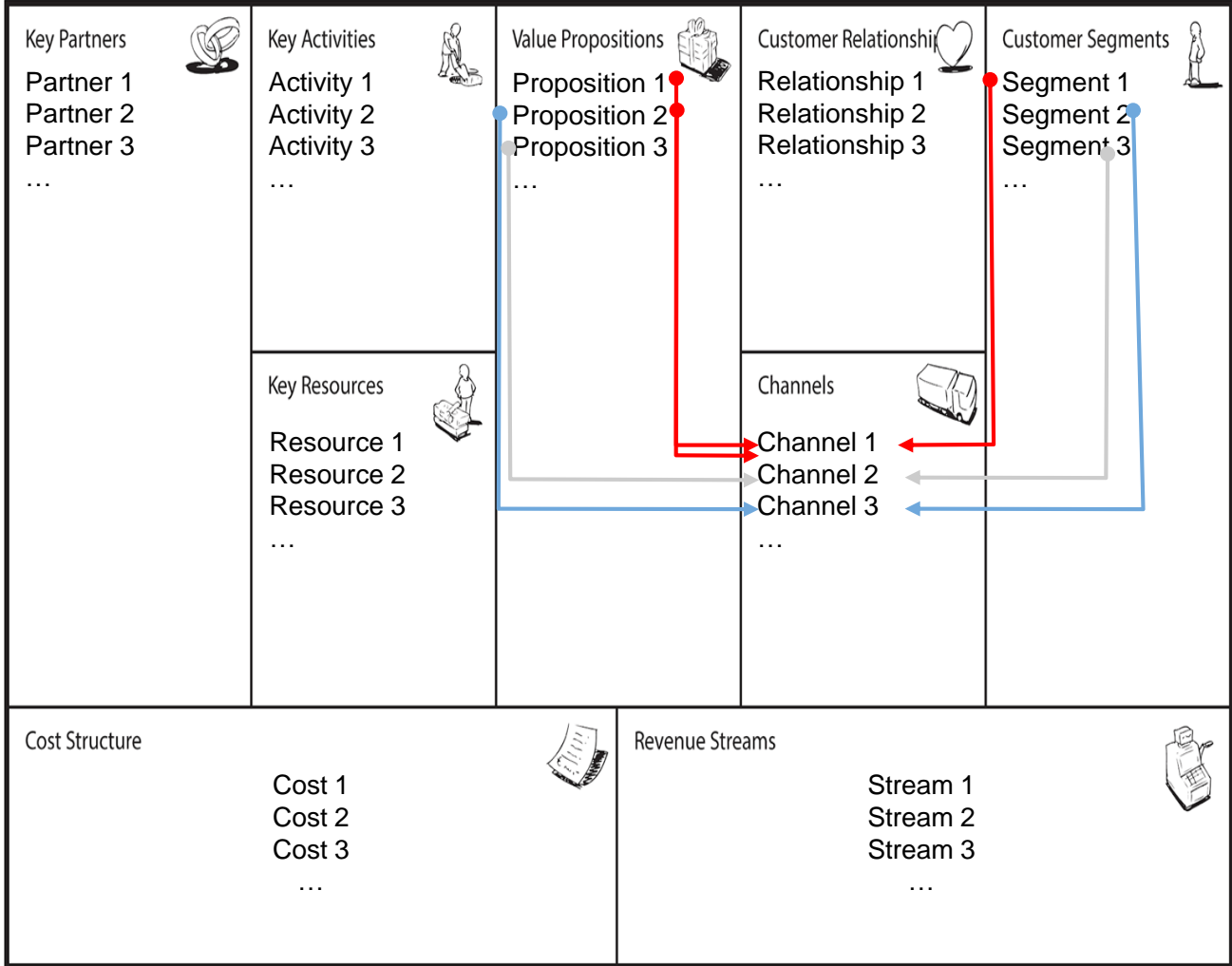
Revenue Streams

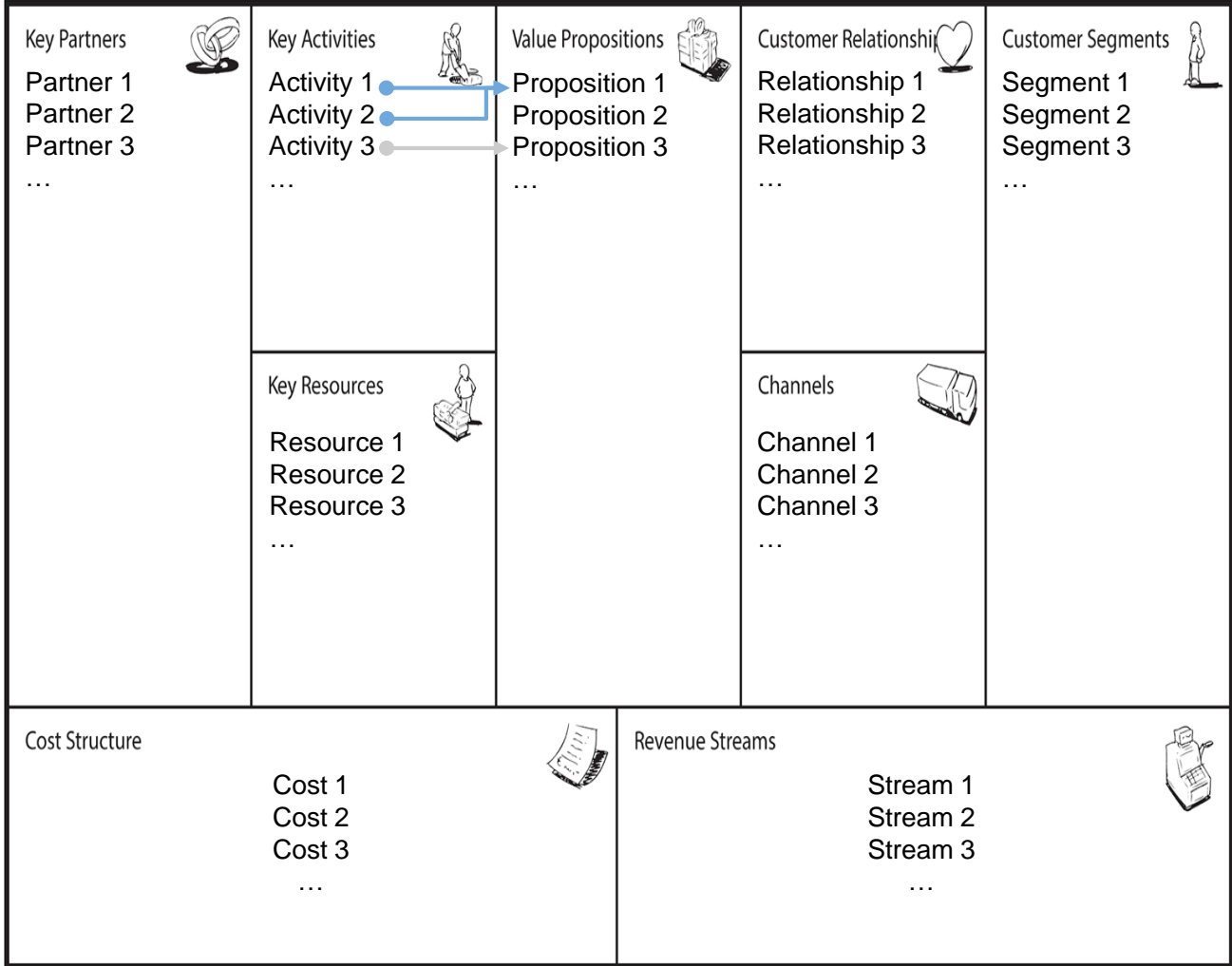
Stream 1
Stream 2
Stream 3
...

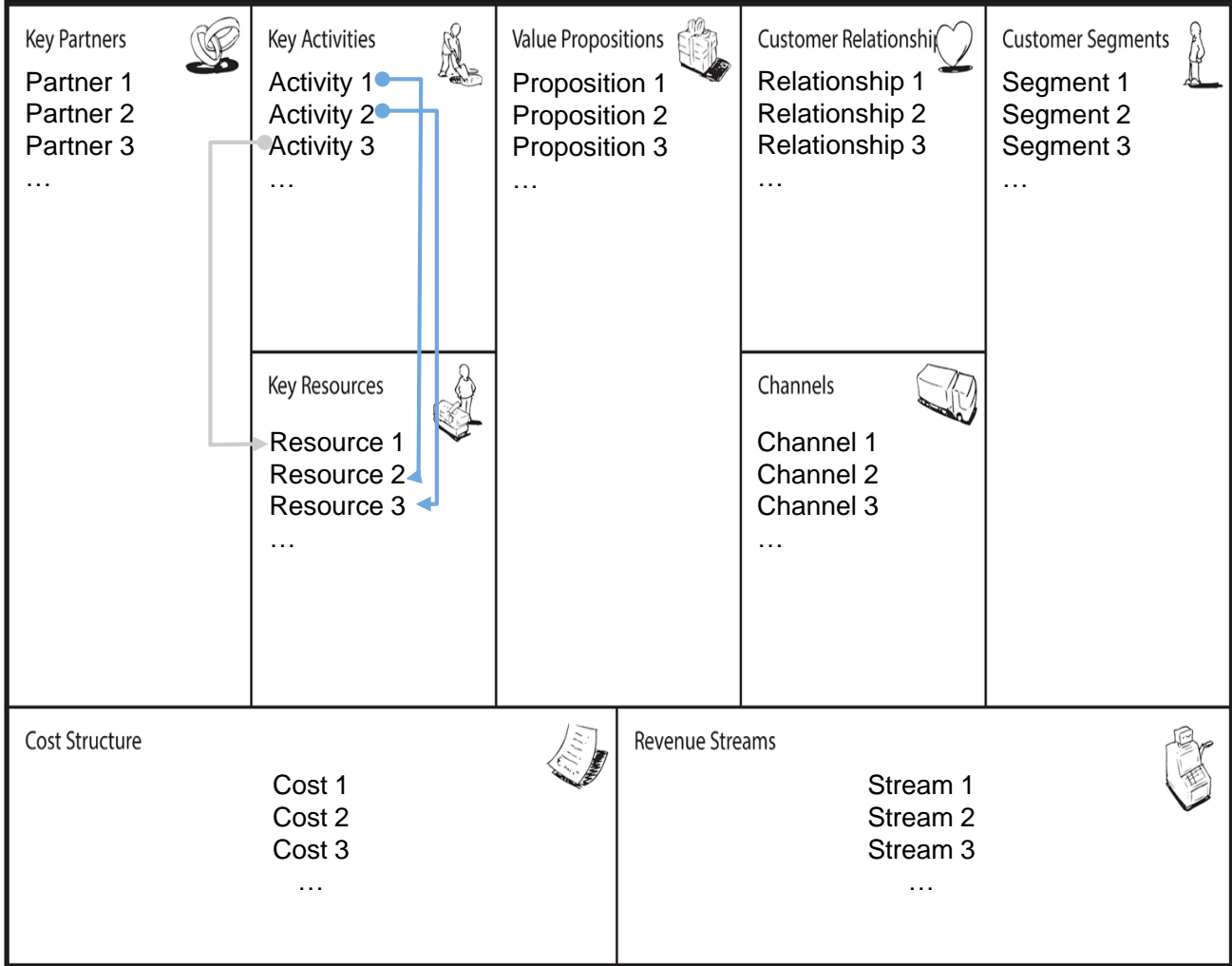


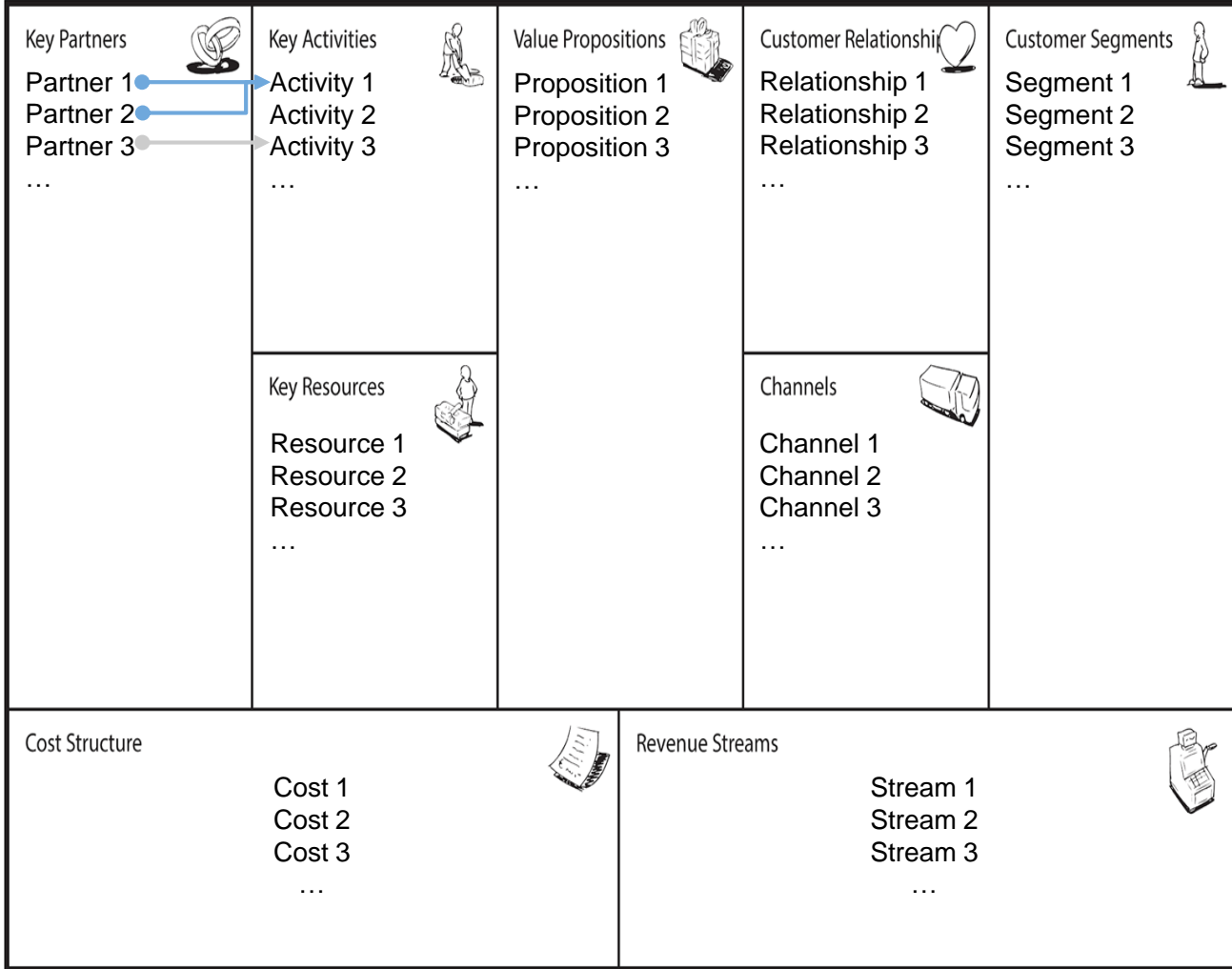


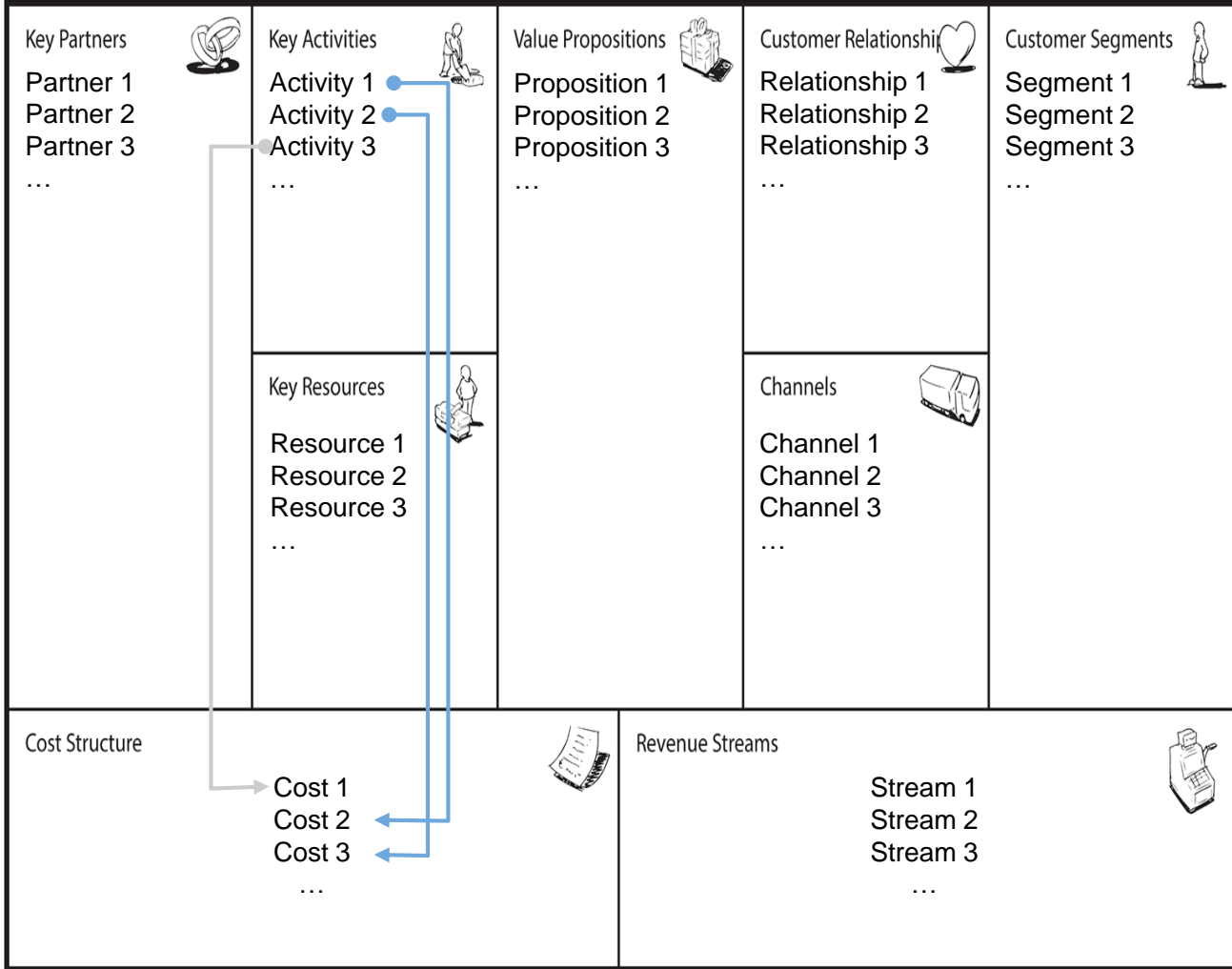








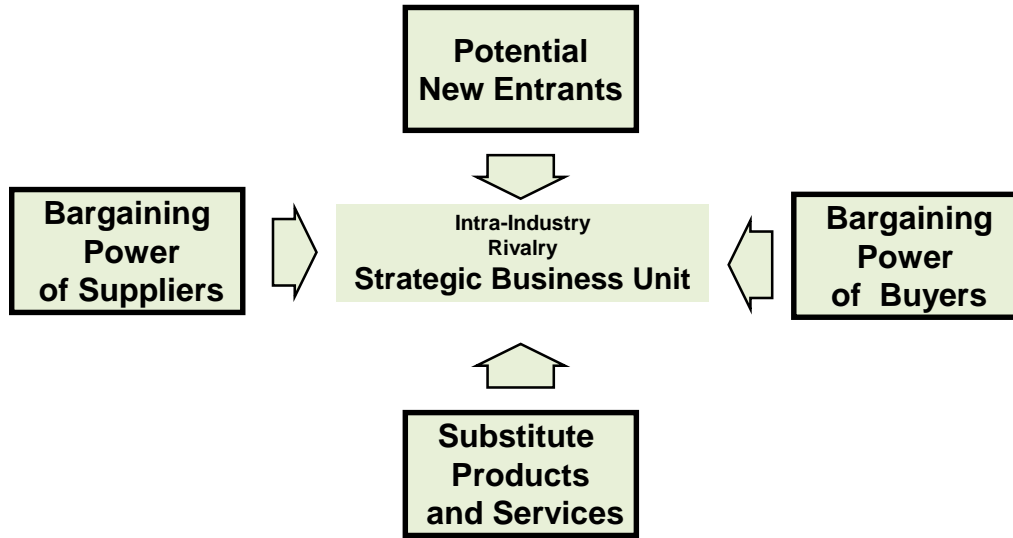




Linkage between VNC and BMC

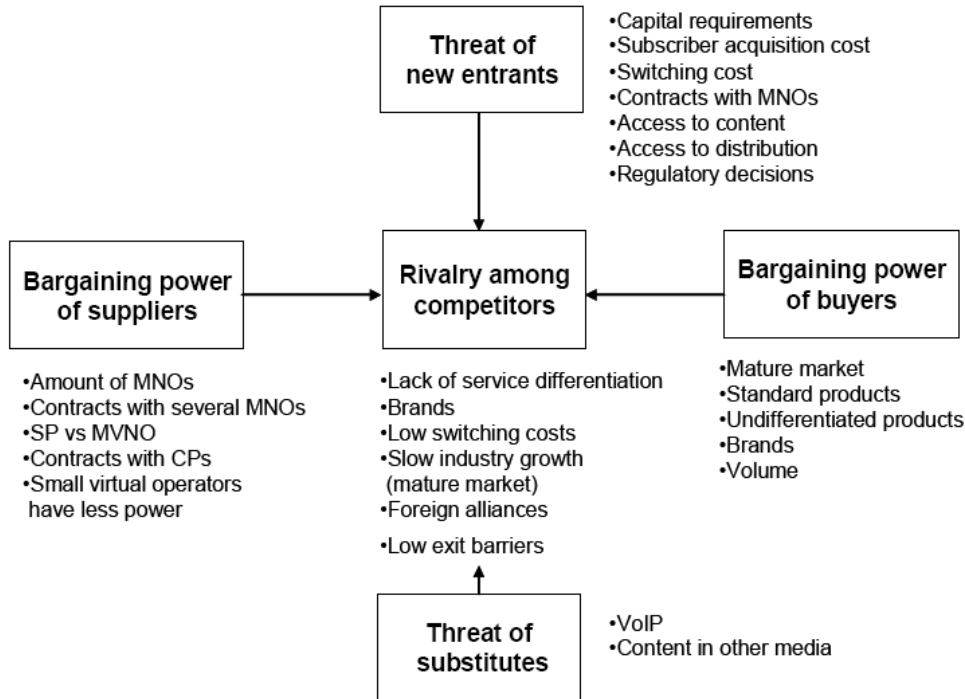
- VNC defines Business Roles as basic units of business strategy
- Company's choice of VNC implies different sets of Business Roles
- Should a BMC be prepared for each Business Role or for Actor?
- Preparing alternative BMCs allows comparison of business strategies

Porter's 5 Forces - Competition



- Porter's view complements VNC and BMC views by focusing on competition
- More competition => less profit
- Herfindahl–Hirschman Index, $HHI = \sum_{i=1}^N s_i^2$, for measuring competition
- Porter's view helps doublecheck the risk levels of market

Porter's 5 Forces – MVNO example



- MNOs are powerful suppliers
- Differentiation is difficult

Good luck for BMC analysis!